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SENATE BILL 1512 By
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HOUSE BILL 1304
By Kisber

AN ACT to amend
Tennessee Code Annotated,
Section 4-29-223(a)(22);
Section 9-4-107; Section 9-
4-506 and Section 9-4-521,
relative to state depositories
and to the Collateral Pool
for Public Deposits Act.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 9-4-107(a)(2), is amended by deleting the last sentence thereof in its entirety.

SECTION 2. Tennessee Code Annotated, Section 9-4-107, is amended by adding the following as new subsections (b) and (c) and by redesignating the existing subsections accordingly:

(b) Whenever the satisfactory conduct of the state's business clearly demands it, and not otherwise, a bank or savings institution that does not otherwise meet the requirements in subsection (a) above may be designated as a state depository by the state treasurer, the governor and the commissioner of finance and administration. In the event

it becomes necessary to designate such a bank or savings institution, the department or agency seeking such designation shall make a written request to the officials enumerated above, giving in detail the necessity for the designation and all other information the officials deem material. Any bank or savings institution designated under this subsection shall be deemed a state depository only for the specific purpose for which it was designated and shall not be recognized as a state depository for any other purpose.

(c) A bank or savings institution located outside this state shall not be eligible to be designated as a state depository pursuant to this section unless the bank or savings institution:

(1) Agrees that this chapter shall govern in determining its rights and responsibilities as a state depository; and

(2) Agrees to be subject to the jurisdiction of the courts of this state, or of the courts of the United States which are located within this state, for the purpose of any litigation arising out of this chapter.

SECTION 3. Tennessee Code Annotated, Section 4-29-223(a)(22), is amended by deleting the same in its entirety.

SECTION 4. Tennessee Code Annotated, Section 9-4-506(a)(6), is amended by deleting the same in its entirety and by substituting instead the following:

(6) One (1) representative of local governments who shall have at least two (2) years experience in the field of finance. The local government representative shall be appointed by the state treasurer for a two-year term from a list of three (3) nominees submitted by the Tennessee County Services Association, the Tennessee Municipal League or the Tennessee County Officials Association. The present local government

representative nominated by the Tennessee County Services Association shall serve the remainder of such representative's term, which term expires on June 30, 2001.

Thereafter, the league and the associations shall alternate nominations as follows: the Tennessee Municipal League, the Tennessee County Officials Association and the Tennessee County Services Association. The list of nominees shall be submitted by the applicable organization no less than thirty (30) days before the expiration of the local government representative's term.

SECTION 5. Tennessee Code Annotated, Section 9-4-506(b)(1), is amended by deleting the same in its entirety and by substituting instead the following:

(1) The members shall be appointed for two-year terms. Any member is eligible for reappointment and shall serve until a successor qualifies.

SECTION 6. Tennessee Code Annotated, Section 9-4-521, is amended by deleting the same in its entirety.

SECTION 7. This act shall take effect upon becoming a law, the public welfare requiring it.